

H.L.C.
108TH CONGRESS

2D SESSION **H. R. ____**

To prevent the sale of abusive insurance and investment products to military personnel.

IN THE HOUSE OF REPRESENTATIVES

Mr. Burns (for himself, Mr. Simpson, Mr. Edwards, Mr. Norwood, and Mr. Wilson)
introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To prevent the sale of abusive insurance and investment
products to military personnel.

*Be it enacted by the Senate and House of Representatives of the United
States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the “Military Personnel Financial Services
Protection Act”.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) [to be supplied]

SEC. 3. PROHIBITION ON FUTURE SALES OF PERIODIC PAYMENT PLANS.

Section 27 of the Investment Company Act of 1940 (15 U.S.C. 80a-27) is
amended by adding at the end the following new subsection:

“(j) TERMINATION OF SALES.

“(1) TERMINATION.—On and after 30 days after the date of enactment of
the Military Personnel Financial Services Protection Act, it shall be
unlawful

“(A) for any registered investment company to issue any periodic
payment plan certificate; or

“(B) for such company, or any depositor of or underwriter for any such
certificate, or any other person, to sell such a certificate.

“(2) NO INVALIDATION OF EXISTING CERTIFICATES.—Paragraph (1) shall not
be construed to alter, invalidate, or otherwise affect any rights or
obligations, including rights of redemption, under any periodic payment
plan certificate issued and sold before such date of enactment.”.

SEC. 4. STATE INSURANCE COMMISSIONER JURISDICTION ON MILITARY INSTALLATIONS.

(a) **IN GENERAL.**—Notwithstanding any provision of State law, any authority of a State insurance department with respect to insurers or insurance agents shall apply with respect to activities of insurers and agents, notwithstanding that such activities take place on a military installation of the United States or on any Federal land or facility, except to the extent that such authority directly conflicts with any applicable authorized Federal regulation or directive.

(b) **EFFECTIVE DATE.**—This section shall take effect on the date of the enactment of this Act.

SEC. 5. REQUIRED DEVELOPMENT OF MILITARY PROTECTION STANDARDS.

(a) **REQUIRED DISCLOSURE.**—Until a State has met its obligation under subsection (b)

(1) life insurance may not be sold on a military installation in the State to any member of the armed forces without prior disclosure to such member that subsidized life insurance may be available to the member from the Federal Government; and

(2) the State may not license or renew the license of any entity that has violated the prohibition in paragraph (1).

(b) **STATE STANDARDS.**—The Congress intends that each State, within 12 months after the date of the enactment of this Act, implement standards to protect members of the armed forces, while on a military installation of the United States or on any Federal land or facility, from dishonest and predatory insurance sales practices.